

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 HA-05 CIAE-00 COME-00 EB-08 INR-10  
LAB-04 NSAE-00 SIL-01 AGR-05 AID-05 CEA-01 EA-10  
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OMB-01 SS-15 /121 W  
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R 191713Z JUN 78  
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TO SECSTATE WASHDC 3655  
INFO AMEMBASSY BONN  
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AMCONSUL GENOA  
AMCONSUL MILAN  
AMCONSUL NAPLES  
AMCONSUL PALERMO  
AMCONSUL FLORENCE  
AMCONSUL TURIN  
USCINCEUR VAIHINGEN GERMANY  
USDOCOSOUTH

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USEC  
USOECN ALSO FOR EMBASSY  
USDOCOSOUTH FOR INTAF

E.O. 11652: NA  
TAGS: ELAB, PINT, IT  
SUBJECT: METAL UNIONS DEFY THE CCU AND REFUTE AN AUSTERITY POLICY

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REF: ROME 9737

1. SUMMARY: A THREE-DAY CONFERENCE OF ITALY'S THREE MAJOR  
METAL TRADES UNIONS (THE FLM) RESULTED IN THE APPROVAL OF A  
HARD-NOSED POLICY WHICH FLIES IN THE FACE OF THE FORTHCOMING  
POSITIONS APPROVED BY THE CCU LAST JANUARY. SINCE LABOR'S  
SOFT LINE IS CLOSELY IDENTIFIED WITH CGIL CHIEF LAMA,

THE FLM DECISIONS ARE BEING ANALYZED AS A REVOLT AGAINST BOTH THE NATIONAL LABOR CONFEDERATIONS IN GENERAL AND AGAINST LAMA IN PARTICULAR. THE FLM CONFERENCE RENOUNCED THE NEED FOR ANY AUSTERITY IN THE METAL SECTOR, REJECTED ANY ALTERATION OF THE WAGE ESCALATION (CONTINGENZA) SYSTEM, AND PROCLAIMED AN INTENTION TO ENGAGE IN TOUGH BARGAINING WHEN THEIR TRIENNIAL NATIONAL CONTRACTS EXPIRE AT YEAR-END. END SUMMARY.

2. THE FLM -- THE TRICONFEDERATION ROOF ORGANIZATION WHICH EMBRACES THE THREE METAL TRADES UNIONS, FIOM/CGIL, FIM/CISL AND UILM -- CONCLUDED A THREE-DAY CONFERENCE IN RIMINI WITH A SERIES OF AGGRESSIVE PRONOUNCEMENTS. THE UPSHOT OF THE DELIBERATIONS WAS, IN LARGE MEASURE, A REFUTATION OF THE AUSTERITY PROGRAM AGREED BY THE FEDERATION CGIL-CISL-UIL (CCU) LAST JANUARY IN ROME/EUR (THE SO-CALLED LAMA PROGRAM). THE CONFERENCE RESOLUTIONS WERE OVERWHELMINGLY APPROVED BY THE 1300 DELEGATES, WITH NO CONTRARY VOTES AND ONLY FIVE ABSTENTIONS. IN EFFECT, THE FLM DECLARED THAT AUSTERITY MAY BE ALL RIGHT FOR THOSE CATEGORIES WHICH ENJOY SPECIAL PRIVILEGES. IN THE METAL TRADES, HOWEVER, FAIR WARNING WAS GIVEN THAT THERE WILL BE LITTLE DISPOSITION TO PRACTICE MODERATION IN RENEWING THE MAJOR CONTRACTS WHICH WILL EXPIRE AT THE END OF THE YEAR.

3. AMONG THOSE ADDRESSING THE CONFERENCE WAS CISL  
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SECRETARY GENERAL MACARIO. HE CALLED FOR THE MOBILIZATION OF THE WORKERS FOR THE ACHIEVEMENT OF THEIR OBJECTIVES, ABOVE ALL THE CREATION OF JOBS THROUGH "A VIGOROUS UTILIZATION" OF THE COLLECTIVE BARGAINING MECHANISM. "IF WE DO NOT SOON HAVE CONCRETE RESPONSES TO OUR DEMANDS FROM THE GOVERNMENT," MACARIO PROCLAIMED TO MUCH APPLAUSE, "A RESUMPTION OF TRADE UNION ACTIONS WILL BECOME INEVITABLE." PIO GALLI, SECRETARY GENERAL OF FIOM/CGIL, ALSO ADOPTED A TOUGH POSTURE.

4. FIM/CISL SECRETARY GENERAL BENTIVOGLI REFUTED THE CALL OF LABOR MINISTER SCOTTI (WHO ADDRESSED THE CONFERENCE) TO MODIFY THE WAGE ESCALATION SYSTEM. "WE METAL WORKERS," BENTIVOGLI SAID, "ARE NOT A CATEGORY WITH A WAGE JUNGLE. OUR MEDIAN EARNINGS ARE BELOW 400,000 LIRE MONTHLY (ABOUT \$460) AND WE DEFEND THE WAGE ESCALATION SYSTEM AS A FIXED ARRANGEMENT. WE HAVE NEITHER THE SUPER MINIMUM SALARIES OF CERTAIN PUBLIC ENTERPRISES NOR THE 18 MONTHS OF PAY OF OTHER WORKERS."

5. SERGIO STUCOVITZ, THE LABOR EXPERT FOR THE ROME DAILY IL TEMPO (PRO-DC) IS A LEADING ANALYST OF THE

ITALIAN LABOR MOVEMENT. HE WRITES THAT "WE HAVE ALWAYS CONSIDERED PIO GALLI (FIOM/CHIL) A LOYAL, GREY COMMUNIST LABOR BUREAUCRAT. THE FACT THAT HE HAS NOW DECIDED TO RIDE THE TIGER OF THE ANTI-LAMA DEMONSTRATIONS MUST BE CONSIDERED AN EMERGENCY EXPEDIENT IN ORDER NOT TO MISS THE BOAT." STUCOVITZ ALSO NOTES THAT MACARIO HAS ALIGNED HIMSELF WITH UIL CHIEF BENVENUTO, LEAVING LAMA ALONE TO SUSTAIN THE POLICY OF AUSTERITY, OF RESPONSIBILITY, OF NECESSARY SACRIFICES WHICH LED FIAT PRESIDENT GIANNI AGNELLI TO EULOGIZE LAMA A FEW DAYS AGO WITH THESE WORDS: 'IF LAMA SUCCEEDS IN CARRYING THE LABOR MOVEMENT TO THOSE POSITIONS (I.E., THE POSITIONS AGREED BY THE CCU LAST JANUARY), HE WILL HAVE ACHIEVED THE DIMENSION OF BEING THE MOST LIMITED OFFICIAL USE

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IMPORTANT POLITICAL FIGURE IN ITALY." STUCOVITZ CONCLUDES: "EVIDENTLY, NEITHER MACARIO, BENVENUTO NOR THE METAL WORKERS INTEND TO FACILITATE THE ACHIEVEMENT OF THIS PRESTIGIOUS OBJECTIVE BY THEIR COMMUNIST CGIL COLLEAGUE."

6. COMMENT: QUITE CLEARLY, THE UNIONS IN THE VITAL METALS SECTOR ARE DECLARING THEIR INDEPENDENCE FROM THE POLICIES DICTATED BY THE CONFEDERATIONS. DEFIANCE OF AUSTERITY MEASURES IS A POPULAR STANCE TO TAKE; IT HAS THE FURTHER VIRTUE OF BEING "ANTI-COMMUNIST." IT MAY WELL BE THAT, BY THE TIME THE GOVERNMENT SORTS OUT ITS ORGANIZATION PROBLEMS OCCASIONED BY THE MURDER OF MORO AND THE RESIGNATION OF LEONE, IT WILL FIND ITSELF FACING A RECALCITRANT LABOR MOVEMENT, AT LEAST IN THE METALS SECTOR. MEANWHILE, THE CCU GENERAL COUNCIL MEETING ON LABOR COST REDUCTIONS, SCHEDULED FOR JUNE 21-22, HAS BEEN POSTPONED UNTIL MID-JULY. GARDNER

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## Message Attributes

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